



UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/7883
12 December 1969

ORIGINAL: ENGLISH

Twenty-fourth session
Agenda item 79 (a)

AUDIT REPORTS RELATING TO EXPENDITURE BY SPECIALIZED AGENCIES AND
THE INTERNATIONAL ATOMIC ENERGY AGENCY

EARMARKINGS AND CONTINGENCY AUTHORIZATIONS FROM THE TECHNICAL
ASSISTANCE ACCOUNT OF THE UNITED NATIONS DEVELOPMENT PROGRAMME

Audit reports for the year ended 31 December 1968 relating to
expenditure by participating and executing agencies of funds
allocated from the Technical Assistance Account of the United
Nations Development Programme

Forty-second report of the Advisory Committee on Administrative
and Budgetary Questions to the General Assembly at its twenty-fourth
session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the audited accounts showing the consolidated financial position of the United Nations Development Programme (Technical Assistance) Account as at 31 December 1968, and the report of the Board of Auditors.^{1/} These reports have been submitted by the Administrator of UNDP in accordance with General Assembly resolution 519 A (VI) and with article 30.5 of the Technical Assistance Finance Manual. Detailed supporting schedules furnished by the participating and executing agencies^{2/} have been made available to the Committee.

^{1/} Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 27 (A/7627).

^{2/} International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, International Telecommunication Union, World Health Organization, World Meteorological Organization, Universal Postal Union, Inter-governmental Maritime Consultative Organization and the International Atomic Energy Agency. For the United Nations and the United Nations Industrial Development Organization as participating and executing agencies, see paragraph 2.

2. The audited financial statements of the United Nations and the United Nations Industrial Development Organization as participating and executing agencies are presented in the financial reports and accounts of the United Nations for the year ended 31 December 1968.^{3/} The audited financial statements of UNDP (Technical Assistance) Account, the UNDP Administrative Budget of the secretariat, the UNDP Revolving Fund and the UNDP projects financed from Technical Assistance contingency allocations and executed by the Administrator have been presented in the financial report and accounts of UNDP for the same period.^{4/} The Advisory Committee has reported separately on these statements in its second report to the General Assembly at its twenty-fourth session (A/7636).

3. Annex I to document A/7627 indicates that total allocations from contributions and other available funds in 1968 to the twelve participating and executing agencies (including the United Nations and UNIDO),^{5/} together with the UNDP Administrator (as executor of technical assistance contingency projects) amounted to \$67,485,007. Obligations incurred during 1968 totalled \$72,684,733, comprising \$64,593,481 for project costs and \$8,091,252 for overhead costs. Taking into account a balance of unobligated allocations totalling \$6,125,602 carried forward from 1967, the excess of allocations and other available funds over obligations incurred amounted to \$1,437,265. Other income totalling \$1,317,286 resulted in a balance of \$2,754,551 as at 31 December 1968 to revert to the UNDP (Technical Assistance) Account.

4. In the case of eight of the ten participating and executing agencies (excluding the United Nations and UNIDO) the external auditors have issued certificates without specific observations. The External Auditor of one agency has drawn attention to discrepancies totalling some \$40,000 between certain balances in the UNDP accounts and those shown by the agency's own accounts, most of them arising from overlapping closure of accounts at year end. The

^{3/} Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 7 (A/7607), statement IV.

^{4/} Ibid., Supplement No. 7A (A/7607/Add.1), statements I, III, IV and V.

^{5/} With effect from 1 January 1968 UNIDO assumed responsibility for certain projects previously administered by the United Nations.

External Auditor has suggested that the two parties continue to try to minimize such cases. In the case of another agency the External Auditor has noted that marine insurance claims totalling some \$13,500 related to Technical Assistance projects were disallowed by the underwriters in 1968, partly because of delays and deficiencies in the presentation of claims by the agency; he has been informed by the agency that revised procedures have been agreed to and fresh instructions prepared for issue to staff, with a view to improving the presentation of claims.
